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C O N F I D E N T I A L SECTION 01 OF 02 ASUNCION 000222

SIPDIS

STATE FOR USAID, WHA/FO TSHANNON, CMCMULLEN, WHA/BSC MDASCHBACH, MDRUCKER, WHA/PDA JDICKSON, CPETERSON, USAID FOR LAC/AA DKENNEDY, DCHALOTI, RPORTER

E.O. 12958: DECL: 04/02/2019

TAGS: <u>PREL AID KPAO PHUM ECPS PGOV PA</u>
SUBJECT: PRESIDENT SEEKS COMMUNICATIONS ASSISTANCE

REF: A. ASUNCION 0017 ¶B. ASUNCION 0187

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Classified By: Ambassador Liliana Ayalde for reasons 1.4(b) and (d).

11. (C) SUMMARY: President Lugo is having serious problems with both internal and external communications (reftels). Ambassador Ayalde discussed this with him in a recent meeting including the possibilities of technical assistance. Subsequently, PAO and USAID Director confirmed the Communications Minister had also reviewed the issue with the President and reaffirmed strong government interest. This is a critical time for this government, challenged on many fronts after the end of 61 years of one-party rule. That is why Post recommends we provide this assistance, starting with a diagnostic/scoping mission through USAID's Office of Transition Initiatives (OTI). END SUMMARY.

HERDING CATS

12. (C) Communications Minister Augusto Dos Santos, in a series of conversations with PAO dating back to January, has openly acknowledged the problems his government is having with communications and message management. We also consistently hear this from Lugo's allies and it is also obvious to anyone who follows the press here. In fact, a recent article in a leading daily explicitly stated the government has a "deficit in communications ability." In Minister's view, the biggest problem is that Lugirantery Alliance for Change coalition is composed of a diverse mix of parties and interests, and most of the ministers (and the VP) often act as party leaders first and Lugo ministers second. "Each one wants to have the last word." He said it is very difficult to have policy coherence or discipline in this type of environment. The latest public relations fiasco involving sesame farmers, in which Lugo says one thing, while his VP and Agriculture Minister say the opposite, is a case in point. This is a case study of the lack of coordination on messaging, but even more fundamentally, a lack of coordination on policy. These types of problems date back to Lugo's first days in office when he very publicly signed "agreements" with Venezuela's Hugo Chavez which he subsequently failed to submit to Congress. These controversial agreements have been used like a club by opposition politicians and the media to do serious damage to the President's image.

WE CAN HELP, REALLY

 $\P 3$. (C) In a recent conversation, the President expressed to

President indicated that he "felt pressured from many different fronts" which is a challenge for someone who has limited policy or management experience. This lack of experience and Lugo's reserved communication style are feeding a public image of inaction and indecisiveness. providing technical assistance on communications strategy and messaging within the cabinet and outside is critical for the success of Lugo's Administration. On March 31, PAO and USAID Director followed up with Communications Minister Dos Santos. Initially, the possibility of providing a communications expert(s) who could spend as long as a month working directly with Dos Santos and his team on a diagnostic mission, was discussed. If Dos Santos liked the results, Post would seek possible follow-on communications training and technical assistance. Dos Santos responded enthusiastically and had clearly already worked out some good ideas on how to approach the task. He suggested we pick four ministries to start with, two that have good internal communications (he mentioned the Health Ministry as one), and two that have poor internal communications (specifically the Foreign Ministry and the Agriculture Ministry). We suggested the Interior Ministry as the fourth and he agreed. (NOTE: The Interior Ministry is Paraguay's most senior ministry, led by a capable and powerful ally of the President. END NOTE).

the Ambassador his own frustrations on this score.

COMMENT

14. (C) Clearly Lugo's problems go deeper than message management, and to describe his coalition government as unruly is an understatement. But communications management is a serious problem and an impediment to policy implementation. We are increasingly concerned about an often incoherent government that appears to be adrift. Lugo and Dos Santos are concerned as well. Dos Santos responded to

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our offer of assistance as a drowning man would to an offer of a lifeline. We can provide some strategic guidance in this area during a crucial time for this government. While expectations remain high, the honeymoon is clearly over and Lugo needs to start showing results. USAID/OTI assistance is the kind of quick-hit, relatively inexpensive help that could make a difference in the public perceptions of this government. Post recommends we provide it, and in a timely manner, before someone else does. END COMMENT.

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